

## Credit Card Discrepancy Policy for FY 2006

The way that the system works is that a user who violates certain key factors in the purchasing process will be assessed points. If they accumulate ten or more points during the fiscal year (7/1/05 to 6/30/06), their card will be suspended for a six month period. Suspending the card means that it is to be turned over to Quality Management once the cardholder is notified. If the card is not turned in after 5 working days, it will automatically be cancelled. Points are assigned as follows:

<u>Type of Discrepancy</u>	<u>Occurrence</u>		
	<u>1st</u>	<u>2nd</u>	<u>3rd</u>
1. Inadequate documentation (No request for purchase or no invoice)	1	3	6
2. Failure to answer vendor questions properly	1	3	6
3. Request form lacking adequate approval	1	3	6
4. Failure to mark documentation "Received"	1	3	6
5. Failure to return documentation on time	1	3	6
6. VISA documents signed by someone other than cardholder	9	9	
7. Card being used by someone other than cardholder	10		

I would like to add some supplementary information regarding the discrepancies listed above. **Item 2, answering the vendor questions is required for any purchase in excess of \$75. How the questions are to be answered is clearly specified.** Item 4, credit card documentation is to be marked "Received" and initialed and dated to designate recognition of receipt of the goods or services. Item 5, documentation is due on the 15<sup>th</sup> of the month following the period under review. Item 6, no VISA card receipt is to be signed by anyone other than the cardholder. Another employee may sign a vendor receiving document or a work order, etc., but only the cardholder can sign credit card documents.

Cardholders who have incurred points will be notified of their point totals as incurred. If a card has been suspended, after the six month period the card will be returned, but the cardholder will be on a probationary period. If during the probationary period, the cardholder again accumulates ten points, their card will be permanently cancelled.

If you are confused or concerned, please contact John Koerner by e-mail or call 638.